

a subsidiary of PrimeEnergy Corporation

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February 28, 1995

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

RE: Application for Non Standard Proration Units Wells B-1 Lease, Well No. 4 & 7 Sec 1, T-25-S, R-36 E Jalmat; Tnsl, Yts, 7 Rvrs Pro Gas Pool Lea Co., NM.

Gentlemen:

Prime Operating Company respectfully requests administrative approval of a 200 acre non-standard proration unit for its Wells B-1 #7, located 1930' FNL and 1780' FEL of Section 1, T-25-S, R-36-E, Lea County, New Mexico.

The 200 acres proposed for this non-standard unit are: unit letters G, H, J, O and P. Unit letters J, O and P were previously committed to the proration unit established for the Wells B-1 #4, which we are requesting below to be reduced and rededicated to the #7 well.

Prime Operating Company also requests an amendment to NSP Order # 1056 by reducing the dedicated acreage to the 40 acre tract surrounding Well #4, unit letter I.

The proposed non-standard units conform to the requirements as follows:

- 1) Said units consist of contiguous quarter-quarter sections.
- 2) Said units lie wholly within a single governmental section.
- 3) The entire proposed unit may be reasonably presumed to be productive of gas.
- 4) The length or width of said units do not exceed 5,280 feet.